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(iv) *Partner's share of partnership basis*—(A) *In general.* For purposes of this paragraph (f), a partner's proportionate share of the partnership's basis in depreciable property (or depreciable real property) is equal to the sum of—

(1) The partner's section 743(b) basis adjustments to items of partnership depreciable property (or depreciable real property); and

(2) The common basis depreciation deductions (but not including remedial allocations of depreciation deductions under § 1.704-3(d)) that, under the terms of the partnership agreement, are reasonably expected to be allocated to the partner over the property's remaining useful life. The assumptions made by a partnership in determining the reasonably expected allocation of depreciation deductions must be consistent for each partner. For example, a partnership may not treat the same depreciation deductions as being reasonably expected by more than one partner.

(B) *Effective date.* This paragraph (f)(2)(iv) applies to elections made under sections 108(b)(5) and 108(c) on or after the date the regulations are published as final regulations in the **Federal Register**.

(v) *Treatment of basis reduction*—(A) *Basis adjustment.* The amount of the reduction to the basis of depreciable partnership property constitutes an adjustment to the basis of partnership property with respect to the partner only. No adjustment is made to the common basis of partnership property. Thus, for purposes of income, deduction, gain, loss, and distribution, the partner will have a special basis for those partnership properties the bases of which are adjusted under section 1017 and this section.

(B) *Recovery of adjustments to basis of partnership property.* Adjustments to the basis of partnership property under this section are recovered in the manner described in § 1.743-1.

(C) *Effect of basis reduction.* Adjustments to the basis of partnership property under this section are treated in the same manner and have the same effect as an adjustment to the basis of partnership property under section 743, provided, however, that the election in § 1.743-1(j)(4)(ii)(A)(2) is not available. The following example illustrates this paragraph (f)(2)(v):

Example. (i) A, B, and C are equal partners in partnership PRS, which owns (among other things) Asset 1, an item of depreciable property with a basis of \$30,000. A's basis in its partnership interest is \$20,000. Under the

terms of the partnership agreement, A's share of the depreciation deductions from Asset 1 over its remaining useful life will be \$10,000. Under section 1017, A requests, and PRS agrees to decrease the basis of Asset 1 with respect to A by \$10,000.

(ii) In the year following the reduction of basis under section 1017, PRS amends its partnership agreement to provide that items of depreciation and loss from Asset 1 will be allocated equally between B and C. In that year, A's distributive share of the partnership's common basis depreciation deductions from Asset 1 is now \$0. Under § 1.743-1(j)(4)(ii)(B), the amount of the section 1017 basis adjustment that A recovers during the year is \$1,000. A will report \$1,000 of ordinary income because A's distributive share of the partnership's common basis depreciation deductions from Asset 1 (\$0) is insufficient to offset the amount of the section 1017 basis adjustment recovered by A during the year (\$1,000).

(iii) In the following year, PRS sells Asset 1 for \$15,000 and recognizes a \$12,000 loss. This loss is allocated equally between B and C, and A's share of the loss is \$0. Upon the sale of Asset 1, A recovers its entire remaining section 1017 basis adjustment (\$9,000). A will report \$9,000 of ordinary income.

(D) *Effective date.* This paragraph (f)(2)(v) applies to elections made under sections 108(b)(5) and 108(c) on or after the date the regulations are published as final regulations in the **Federal Register**.

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Michael P. Dolan,
Deputy Commissioner of Internal Revenue.
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DEPARTMENT OF LABOR

Occupational Safety and Health Administration

29 CFR Part 1915

Fire Protection for Shipyard Employment Negotiated Rulemaking Advisory Committee; Notice of Meeting

AGENCY: Occupational Safety and Health Administration (OSHA), Labor.

ACTION: Fire protection for shipyard employment negotiated rulemaking advisory committee; notice of open meeting.

SUMMARY: The Occupational Safety and Health Administration announces a meeting of the Negotiated Rulemaking Advisory Committee for Fire Protection for Shipyard Employment. OSHA invites all interested persons to attend. The committee members represent groups interested in, or significantly affected by, the outcome of the rulemaking: They come from shipyards, labor unions, professional associations,

and government agencies. The committee will continue its discussions on scope and application, administrative, engineering, and work practice controls, fire brigades, written fire plans, technological advances, costs of fire protection, and the content of appendices for a proposed standard to protect workers from hazards in shipyard employment. The committee's goal is to recommend to the Assistant Secretary a safety standard and explanatory preamble that the members support.

DATES: The meeting dates are Tuesday, February 24, 1998, through Thursday, February 26, 1998, from 9:00 a.m. to about 5:00 p.m. daily. Submit comments, requests for oral presentation, and requests for disability accommodations by February 10, 1998.

ADDRESSES: The meeting will be held at the Holiday Inn on the Bay, 1355 North Harbor Drive at the Embarcadero, San Diego, CA, 92101; telephone 619-232-3861. Mail comments and requests for oral presentations to Ms. Odet Shaw, U.S. Department of Labor, OSHA Office of Maritime Standards, 200 Constitution Avenue, NW, Room N-3647, Washington, D.C. 20210.

FOR FURTHER INFORMATION CONTACT: Mr. Joseph V. Daddura, Project Officer, Office of Maritime Standards, OSHA (202-219-7234 ext. 123). For disability accommodations, contact Ms. Theda Kenney (202-219-8061 ext. 100; FAX: 202-219-7477).

SUPPLEMENTARY INFORMATION:

Meeting Agenda. The Committee will focus its discussions on fire brigades and current rules.

Public Participation. Interested persons may send written comments, data, views, or statements for consideration by the Fire Protection for Shipyard Employment Negotiated Rulemaking Committee to Ms. Odet Shaw. Interested persons may also submit requests for presentations by providing to Ms. Shaw a summary of the proposed presentation, an estimate of the time desired, and a statement of the interest that the person represents.

Authority. This notice is issued under the authority of Section 3 of the Negotiated Rulemaking Act of 1990 (104 Stat. 4969; Title 5 U.S.C. 561 *et seq.*) and Section 7(b) of the Occupational Safety and Health Act of 1970 (84 Stat. 1597; Title 29 U.S.C. 656).

Signed at Washington, D.C., this 23rd day of January, 1998.

Charles N. Jeffress,
Assistant Secretary of Labor.
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